

City of Detroit

CITY COUNCIL



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City Clerk

Committee of the Whole Room • 1340 Coleman A. Young Municipal Center • (313) 224-3443 • Detroit, MI 48226

THIS MEETING WILL BE A VIRTUAL COMMITTEE MEETING

***To attend by phone only, call one of these numbers: +1 929 436 2866, +1 312 626 6799, +1 669 900 6833, +1 253 215 8782, +1 301 715 8592, +1 346 248 7799 -
Enter Meeting ID: 330332554##***

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“A QUORUM OF THE DETROIT CITY COUNCIL MAY BE PRESENT”

BUDGET, FINANCE AND AUDIT STANDING COMMITTEE

COUNCIL MEMBER JANEÉ AYERS, CHAIRPERSON
COUNCIL MEMBER ANDRÉ SPIVEY, VICE CHAIRPERSON
COUNCIL PRESIDENT PRO-TEM MARY SHEFFIELD, MEMBER
COUNCIL PRESIDENT BRENDA JONES, (EX-OFFICIO)

Ms. Christian Hicks
Asst. City Council Committee Clerk

WEDNESDAY, NOVEMBER 18, 2020

1:00 P.M.

- A. ROLL CALL**
- B. CHAIR REMARKS**
- C. APPROVAL OF MINUTES**
- D. PUBLIC COMMENT**
- E. DISCUSSION – 1:05 P.M. – RE: Forensic Audit of the Detroit Land Bank Authority (Detroit Land Bank Authority, Auditor General’s Office)**

- F. **DISCUSSION – 1:30 P.M. – RE:** Update on Responses to the Audit of Demolition Activities Interim Report on Contract Administration for City-Funded Demolitions (**Detroit Demolition Department, Auditor General’s Office**)

UNFINISHED BUSINESS

1. Status of **Law Department** Submitting Proposed Ordinance to amend Chapter 17 of the 2019 Detroit City Code, *Finance*, Article V, *Purchases and Supplies*, by adding Subdivision F, *High Impact Construction Contracts*; Section 17-5-111, *Purpose*; Section 17-5-112, *Definitions*; Section 17-5-113, *Proof of Residency*; Section 17-5-114, *Workforce Target for High Impact Construction Contracts*; Section 17-5-115, *Mentor-Protégé Program*; Section 17-5-116, *Maintenance and Enforcement of Workforce Target, Responsibility of Department of Civil Rights, Inclusion, and Opportunity*; Section 17-5-117, *Notice of Non-compliance, Request for Review of Determination, Review Committee; Contribution to the Workforce Training Fund*; Section 17-5-118 Section 17-5-119, *Penalties for Failure to Comply*; and Section 17-5-120, *Reporting*. **(FOR INTRODUCTION OF AN ORDINANCE AND THE SETTING OF A PUBLIC HEARING?) (BROUGHT BACK AS DIRECTED ON 10-28-20)**
2. Status of **Office of the Chief Financial Officer** submitting reso. autho. Recognizing Homeowners Affected by Property Tax Over-Assessment, 2010 through 2013. **(The Group Executive for Planning, Housing and Development and the Office of the Chief Financial Officer respectfully submit the attached resolution to recognize and prioritize Detroit homeowners who were potentially affected by property tax over-assessment prior to 2014. This resolution proposes a four-year program to assist affected homeowners in restoring wealth. This program will be capitalized with \$6 million from prior year fund balance. Due to strategic use of the City’s CARES funding, Detroit was able to end FY2020 with a modest surplus. While most of that surplus will be needed to protect City services from further pandemic driven revenue shortfalls and to make a supplemental deposit into the Retiree Protection Fund, we propose that \$6 million be made available on a one-time basis to support this program. That funding will support administering the program, the net revenue loss from the Land Bank 50% auction discount and other program costs over four years. Any remaining funds from this appropriation will be contributed toward additional home repair investments for affected homeowners.) (BROUGHT BACK AS DIRECTED ON 10-28-20)**
3. Status of **Council Member Roy McCalister Jr.**, submitting memorandum relative to Awarded Contractors Payment. **(BROUGHT BACK AS DIRECTED ON 10-21-20)**
4. Status of **Council Member Janee Ayers** submitting memorandum relative to Request for Opinion on the City’s Ability to Create a Bonding System for Contractors. **(BROUGHT BACK AS DIRECTED ON 10-21-20)**
5. Status of **Council Member Raquel Castañeda-López** submitting memorandum requesting an Amendment to the Detroit City Code Section 17-5-91 (f) to ensure that no services are provided by Vendors beyond the expiration date of the relevant contract,

through an amendment to Chapter 17 Division 1 of the Detroit City Code. **(BROUGHT BACK AS DIRECTED ON 10-14-20)**

6. Status of **Council Member Scott Benson** submitting memorandum relative to NEZ Homestead (NEZH) updated proposed modifications. **(BROUGHT BACK AS DIRECTED ON 10-7-20)**

NEW BUSINESS

MAYOR'S OFFICE

7. Submitting report relative to Proposed Five-Year Capital Agenda. **(In accordance with provisions of the City Charter, I hereby submit to you my Administration's recommendation for capital improvements as contained in this document, the Capital Agenda, for the five-year period 2021-22 to 2025-26. The current fiscal year, along with this five-year Capital Agenda, recommends a total of almost \$1.88 billion for projects from various sources.) (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 11-18-20)**

OFFICE OF CONTRACTING AND PROCUREMENT

Submitting the following **Office of Contracting and Procurement Contracts**:

8. Submitting reso. autho. **Contract No. 6003153** - 0% Federal Funding – To Provide an Agreement Allowing Taxpayers to E-File the City Return as Part of the State Returns. – Contractor: State of Michigan – Location: 430 W Allegan Street, Lansing, MI 48922 – Contract Period: Upon City Council Approval through September 30, 2027 – Total Contract Amount: \$0.00. **TREASURY (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 11-18-20)**
9. Submitting reso. autho. **Contract No. 6003144** - 100% City Funding – To Provide Rock Salt at Various Locations throughout the City of Detroit. – Contractor: Detroit Salt Company, LLC – Location: 12841 Sanders Street, Detroit, MI 48217 – Contract Period: Upon City Council Approval through October 31, 2021 – Total Contract Amount: \$2,588,099.83. **CITYWIDE (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 11-18-20)**
10. Submitting reso. autho. **Contract No. 6003106** - 100% City Funding – To Provide Various Tax Notices for the Department of Treasury. – Contractor: Accuform Printing & Graphics, Inc. – Location: 7231 Southfield Road, Detroit, MI 48228 – Contract Period: Upon City Council Approval through November 27, 2021 – Total Contract Amount: \$175,000.00. **OCFO (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 11-18-20)**
11. Submitting reso. autho. **Contract No. 6002908** - 100% City Funding – AMEND 1 – To Provide an Increase of Funds Only for Plexiglass Sneeze Guards in Compliance with Social Distancing Guidelines. – Contractor: Gandol, Inc. – Location: 18000 Meyers Suite 2, Detroit, MI 48235 – Contract Period: June 30, 2020 through June 30, 2021 – Contract Increase Amount: \$275,000.00 – Total Contract Amount: \$400,000.00. **CITYWIDE (Will**

***Apply for Reimbursement from Federal COVID-19 Funding Source* (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 11-18-20)**

OFFICE OF THE CHIEF FINANCIAL OFFICER/OFFICE OF THE ASSESSOR

12. Submitting reso. autho. Marwood Marston 2020 Limited Dividend Housing Association Limited Liability Company - Payment in Lieu of Taxes (PILOT). **(Develop Detroit has formed Marwood Marston 2020 Limited Dividend Housing Association Limited Liability Company in order to develop the Project known as Marwood Apartments. The Project is the historic rehabilitation and expansion of an existing housing project consisting of the rehabilitation of fifty-nine (59) units and twelve (12) units of new construction in an area bounded by Mount Vernon on the north, John Ron the east, Marston on the south and Woodward on the west. The completed Project will include ten (10) studio, forty-four (44) 1 bed/1 bath, five (5) 2 bed/2 bath, six (6) 2 bed/2 bath apartments and six (6) 2 bed/2.5 bath townhomes.) (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 11-18-20)**

13. Submitting reso. autho. Savannah-Wilshire Limited Dividend Housing Association Limited Partnership - Payment in Lieu of Taxes (PILOT) – Amended. **(In July of 2020, a request for a PILOT Resolution was submitted to your Honorable Body for the above development. The investor has determined that due to a technical tax issue, the Sponsor must form a new ownership entity. We are therefore requesting that a revised Resolution be approved to change the name of the owner entity to Savannah-Wilshire 2020 Limited Dividend Housing Association LLC. We have also updated the financing amounts in the resolution due to new information.) (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 11-18-20)**

14. Submitting reso. autho. Robert Thomas Limited Dividend Housing Association Limited Partnership - Payment in Lieu of Taxes (PILOT). **(Heyward Dortch formed Robert Thomas Limited Dividend Housing Association Limited Partnership in order to operate the Project known as Robert Thomas Apartments. The original mortgage expired and terminated the PILOT agreement with the City. The Project is an existing forty-nine (49) apartment unit building located in an area bounded by Kay on the north, Yosemite on the east, Grand River Avenue on the south and West Chicago on the west. In order to make this development economically feasible, it is necessary for it to receive the benefits of tax exemption under Section 15a of the State Housing Development Authority Act of 1966 (P.A. 346 as amended, MCL 125.1415A). Adoption of the resolution by your Honorable Body will therefore satisfy the requirements of Public Act 346 and City Ordinance 9-90, as amended, by establishing a service charge of nine percent (9%) of the annual net shelter rent obtained from this housing project.) (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 11-18-20)**

OFFICE OF THE CITY CLERK/CITY PLANNING COMMISSION

15. Submitting reso. autho. Neighborhood Enterprise Zone Certificate Application for the rehabilitation of a 214-unit multi-family residential building located at 1249 Washington Blvd. in the Innovative Acquisitions LLC Neighborhood Enterprise Zone area.

(RECOMMEND APPROVAL) (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 11-18-20)

16. Submitting reso. autho. Neighborhood Enterprise Zone Certificate Application for the rehabilitation of a multi-family 24-unit residential property located at 7610-7436 Kercheval Avenue in the Islandview Neighborhood Enterprise Zone area. **(RECOMMEND APPROVAL) (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 11-18-20)**
17. Submitting reso. autho. Neighborhood Enterprise Zone Certificate Application for the rehabilitation of an existing single-family residential structure located at 1525 Parkview Avenue in the Kercheval-McClellan Neighborhood Enterprise Zone area. **(RECOMMEND APPROVAL) (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 11-18-20)**
18. Submitting reso. autho. Neighborhood Enterprise Zone Certificate Application for the rehabilitation of a multi-family residential building consisting of seven (7) apartments located at 5764 Woodward Avenue in the Woodward/Brush/Hendrie/Ferry Neighborhood Enterprise Zone area. **(RECOMMEND APPROVAL) (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 11-18-20)**
19. Submitting reso. autho. Neighborhood Enterprise Zone Certificate Application for 81 rehabbed rental housing units in the Life is a Dreamtroit project at 1331 Holden Avenue. **(RECOMMEND APPROVAL) (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 11-18-20)**

MISCELLANEOUS

20. **Council President Brenda Jones** submitting memorandum relative to complaints received regarding the newly implemented equipment policy for businesses that bid on City of Detroit demolition projects. **(REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 11-18-20)**
21. **Council President Brenda Jones** submitting memorandum relative to Double Equipment Requirement Follow Up. **(REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 11-18-20)**

G. MEMBER REPORTS